From Post-Colonial Ties to Compliance with World Trade Organisation Rules: The Evolution of European Union Development Policy and its Consequences for the African, Caribbean and Pacific Countries Group

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Introduction

As early as 1957 did the European Community include association with developing countries in its founding treaty. Due to the colonial interests of the six founding member states, provisions about providing financial and technical assistance to their dependencies were included in the Treaty of Rome.\(^1\) Instead of being seen as development assistance, it was first of all meant to maintain preferential trade access that the “mother countries” enjoyed in their dependencies.\(^2\)

Association turned into development assistance with the objective of helping poor countries with their economic and social development. Until 1992, this relation was kept outside the legal frame of the European Community and separate conventions were signed with a growing number of associated developing countries from Africa, the Pacific and the Caribbean region, which joined together in 1975 to form the so-called African, Caribbean and Pacific (ACP) group. Only in 1992 with the Treaty of Maastricht was the competency of the new European Union extended to also include its own European development policy.\(^3\)

The European development policy has changed because of global pressures and Europeanisation since 1992. What are these changes and why have they come about? Why was a completely new agreement, the Cotonou agreement, adopted in 2000 between the EU and the ACP countries? Can this new agreement offer further help for the development of the ACP countries or are there indications that it might not be as successful as was initially hoped for?

The goal of this paper is to analyse the above mentioned questions. The paper focuses on the Cotonou agreement and the changes it contains compared to previous conventions. In the theoretical part of the paper, the concepts of development and development aid are considered

\(^1\) Treaty establishing the European Economic Community, Part Four, Articles 131 to 136, 1957.
\(^3\) Maurizio Carbone, *The European Union and International Development: The politics of Foreign Aid* (Oxon: Routledge, 2007), 47.
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concisely. Moreover, the idea of Europeanisation used in this paper is clarified. The second section presents a short history of development policy since 1957 until 1992, with emphasis on its continuous Europeanisation. In part three, the Cotonou agreement as the accumulation of the shifts occurring since 1992 is looked at. Here, possible consequences for the ACP countries due to significant changes are analysed. In the conclusion, the results of the analysis are discussed.

Theoretical premises

It is important to know what the concepts of development and development assistance mean, as some changes in the European development policy can only be understood if these two notions are clear. Furthermore, it is essential to clarify the meaning of Europeanisation, as used in the context of this paper, as there are many different interpretations and confusion needs to be avoided. This brief section will therefore explain both the concepts of development and development aid and then pursue with a definition of Europeanisation.

Development

There are several concepts of what development is. After World War II, development simply meant economic growth. Development was considered to be the period of transition from economic growth to economic progress. It stood for an increase in productivity and was synonym for economic development, which could be measured in national income per capita. This increase in national income per capita was seen as economic progress and was desired to be achieved.

Often, development was equated with the process of non-developed countries catching up with the West, which meant undergoing modernization.

However, in the 1970s, the perception of development changed. Development was put into a sociological context. It did not signify pure economic growth anymore but was seen as an interrelation between economic and non-economic factors. Economic growth was not considered as something purely positive anymore due to the environmental and social problems that resulted.

Socioeconomic development today is understood to be a complex process of improving people’s life. Development raises standards of living and improves social welfare. It is supposed to provide the foundations for a modern economy and provide new opportunities.

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6 Zeylstra, *Aid or Development*, 110-111.
At the core of it lies individual human transformation, the belief in the idea of individual and societal progress. Socioeconomic development is not one-dimensional and is more than the sum of increased income, health and education. Development is the process of a society moving from one form of social, political and economic organization to another. It is not purely technical but also social. Economic growth is no longer seen as a synonym for economic development. Economic development includes the growth in living standards and the increase in society’s welfare. Not only economic variables play a role but also social objectives and values. Economic growth is no longer the end goal of development but only one means of achieving it.

In 1986, the United Nations (UN) general assembly passed Resolution 41/128, a Declaration on the Right to Development stating that development is a comprehensive economic, social, cultural and political process, which aims at the constant improvement of the well-being of the entire population and of all individuals on the basis of their active, free and meaningful participation in development and in the fair distribution of benefits resulting there from.

Development has a positive connotation. It is an optimistic term and refers to the movement towards a goal that is more desirable. However, today it is contested as the concept did not yield the desired results despite constant efforts by industrialized countries to help the less-developed countries. It has also been criticized for being too Eurocentric or too westernized, ignoring the needs and special circumstances of the countries in development.

**Development aid**

Development can be achieved in many different ways. Development aid is considered to be one of these ways. According to Willem Zeylstra, a Dutch career diplomat, development aid is “cooperation with a foreign state or autonomous political unit with the object of assisting that state or autonomous political unit in furthering its economic growth and social

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8 Tisch and Wallace, *Dilemmas*, 21.
progress."13 Aid should be part of a plan to facilitate the development of the whole society of the recipient’s country, while it may bring benefits to the donor as well, even though this should not be the primary objective. Development aid is a recent idea and refers to development as something that depends on human effort. Development aid thus serves to assist people who want to advance the state of development of their country.14

**Europeanisation**

Europeanisation can be defined in various ways. This paper will work with the following definition: Europeanisation is here seen as the “[c]entral penetration of national systems of governance”, meaning that the national state systems will adapt to “a European political centre and European-wide norms”.15 This meaning of Europeanisation takes into account the effects and the top-down process of change coming from the EU and its institutions.16 In this paper, Helen Wallace’s idea of Europeanisation will also be considered. She defines Europeanisation as “the development and sustaining of systematic European arrangements to manage cross-border connections, such that a European dimension”17 is created. The following section will show how much the evolution of European development policy was influenced by Europeanisation.

**European development policy from 1957 until 1992**

To be able to analyse the changes that European development policy is undergoing, one needs to know how this policy came about and how it evolved over the years. This section will therefore give a brief overview of the history of European development policy, starting with the Treaty of Rome in 1957 until the policy’s inclusion in the Treaty of Maastricht in 1992.

**The beginnings – The Treaty of Rome**

The first reference to development assistance by the European Community18 (EC) was in Part Four of the Treaty establishing the European Economic Community in 1957. Articles 131 to 136 set down an association with “countries and territories which have a special relationship

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13 Zeylstra, *Aid or Development*, 16.
14 Ibid., 17.
18 The European Union (EU) will be referred to as European Community or EC concerning all policies and events dating prior to 1992. It was only with the signature of the Treaty of Maastricht in 1992 that the EU was created.
with”\textsuperscript{19} four of the six founding member states. This association was meant “to promote the economic and social development of [these] countries and territories” and “to permit the furthering of the interests and prosperity of the inhabitants of these countries and territories in such a manner as to lead them to the economic, social and cultural development which they expect”.\textsuperscript{20} These articles were introduced due to the strong interests of France and Belgium in their remaining colonial territories. Especially France wanted to “retain the economic links, the access to natural resources and raw materials and other strategic economic interests”\textsuperscript{21} first established under colonialism.\textsuperscript{22} It thus made the inclusion of association of these territories and sharing the financial burden of their development a condition for its own entry into the EC.\textsuperscript{23}

This meant that, at first, only countries in Africa to which member states had colonial ties were included in the Community’s small development scheme. The interest was not only to promote their development but also to guarantee continued access to their markets and to maintain economic relationships with them. Furthermore, provisions were made to establish a European Development Fund (EDF). It was meant to grant financial and technical assistance and is not part of the common European budget. Instead it was financed by the member states and ran for a period of five years each. The first EDF was concluded from 1959 until 1964 with the articles of the Treaty of Rome as its legal basis.\textsuperscript{24} It was directed at promoting infrastructure projects, agricultural development and social issues and was supposed to provide $58.125 million with Germany and France being the largest donors.\textsuperscript{25}

Even though the Treaty of Rome established the basis for following Conventions and the eventual inclusion of a common European development policy in the Treaty of Maastricht, it remained very restricted. It did not represent a common European development policy but was due to national interests of member states with colonies. The member states wanted to share responsibilities and financial burdens, so that it was more the continuation of colonial associations than true European development cooperation.

\begin{itemize}
\item \textsuperscript{19} Treaty establishing the European Economic Community, 1957, Art. 131.
\item \textsuperscript{20} Ibid.
\item \textsuperscript{22} Grimm, \textit{Afrikapolitik}, 78.
\item \textsuperscript{25} Chikeka, \textit{Africa and the EEC}, 33f.
\end{itemize}
The Yaoundé-Conventions: 1964-1975

However, more and more of the associated and non-associated African states gained independence in the years following the establishment of the EC. The association created between the EC and a small number of African states was called into question. Despite newly gained political independence, the African states remained dependent on financial and economic assistance of foreign states for their further development. The Yaoundé Convention, signed in 1963, shows that the member states of the EC could impose their conditions on the 18 signatory sub-Saharan African states.

Once more, national interests of a few member states had won over a more universal development approach, restricting the associated states to former colonies. These national interests were also reflected in the understanding of development that was put forward. Economic progress was to be achieved through reciprocal trade regulations offering preferential access to the 18 African signatories, but at the same time allowing the EC member states to maintain their economic relations with them: an almost free trade area between the EC and the African states was created.

Not only trade, also financial assistance was seen as a means to advance the economic and social development of the associated states. The focus on aid was increased considerably and aid came to stand at the centre of the convention. Not only was the amount of aid raised, the forms and sectors of assistance were equally expanded. The focus was on technical assistance and the creation of infrastructure to ensure the development of the economies which was considered to be of major importance for the overall development of the signatory states in Africa.

With the Yaoundé Convention, the European Commission gained control over the management of the funds of the EDF. Even though the EDF remained outside of the common budget, it was now the Commission which could administrate the funds and the recipient countries did not have to go by the member states governments anymore. Further Europeanisation was, however, resisted and the development focus remained on African countries with colonial ties to a few member states.

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30 Ibid., 68.
The Lomé Conventions: 1975-2000

The first reason for the EC to create a new convention with the African states was the fact that the former signatories were to be joined by a large number of other countries in Africa, the Caribbean and the Pacific region due to the accession of the United Kingdom to the EC in 1973. These countries united themselves to form the so-called ACP group and commenced negotiations with the EC.

The resulting convention was signed in 1975 by 46 ACP states and the nine member states of the EC in Lomé, capital of Togo. The Lomé Convention had very different features than the two Yaoundé Conventions had previously offered. The new convention was thought of as an example of the New International Economic Order (NIEO) that developing countries were calling for, wanting more equality with countries and asking for more rights to influence their own development. Due to these international circumstances, the development approach of the EC and its member states changed. All of the Lomé Conventions (Lomé I-IV bis) were negotiated with the ACP group and not imposed as had been done previously. The new paradigm of the relationship between the EC and the ACP group was seen to be based on “partnership”.

In order to advance the economic growth of the ACP countries even more, extensive trade concessions were made such as non-reciprocal trade access to the EC-market or the introduction of commodity insurance schemes STABEX and SYSMIN. The focus of the Lomé Conventions was on economic and social development. Furthermore the ACP countries were provided more influence in order to achieve their vision of development through the continuous dialogue with the EU. Distribution of financial assistance was now based on the needs of every individual country and Lomé was seen as the “undisputed flagship of the EU’s development initiative” and the ideal North-South relationship.

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36 Babarinde and Faber, “From Lomé to Cotonou,” 4.
37 Chikeka, Africa and the EEC, 172.
However, due to the ever-changing circumstances in Europe and the world it soon became apparent that the Lome Conventions were not the ideal model for a relationship between these two groups.

**Cotonou: What changed?**

The Cotonou Agreement, which was the successor of the Lomé Conventions, was signed in 2000. According to its negotiations it will be revisited every five years. It determines the relationship between the EU and the ACP. What led to the creation of this new agreement? What changes are present in it? What might be the possible consequences of these changes for the ACP group? These questions will be analysed in the following section.

**Changes leading up to the conclusion of the Cotonou Convention**

In 1992, the integration of the Community was deepened by the creation of the European Union (EU). This affected the EC’s common development policy in many ways. Despite the fact that the member states had resisted the Europeanisation of development assistance for the most part by keeping the EDF outside the community budget and discussing development policy as an intergovernmental issue, development policy was now made a responsibility of the EC. The Treaty of Maastricht, which was signed in 1992 and established the EU, included Article 177 TEC. This article states that the Community’s development cooperation policy was to be complimentary to the policy of the member states and to pursue following goals: “the sustainable economic and social development of the developing countries, and more particularly the most disadvantaged among them; the smooth and gradual integration of the developing countries into the world economy; the campaign against poverty in the developing countries.”

Important principles such as co-ordination between the member states’ and the EU’ development policies, coherence with other policy fields and complementarity of the development policies were introduced as well. This indicated a change in the now EU’s point of view on development policy. The articles now provided for the possibility to take other EU policies into consideration concerning their possible effect on developing countries (for example, the Common Agricultural Policy CAP), making them more coherent with each

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38 Carbone, *The EU and International Development*, 1 and 35.
other.\textsuperscript{41} In addition, the idea of poverty reduction was advanced again, after having been first mentioned as a development objective by the EC in 1985.\textsuperscript{42}

Furthermore, the geographic orientation concerning development assistance underwent a shift. Had privileges of development assistance once only included the ACP countries, the accession of Spain ensured a new orientation towards Latin America, while the Middle East also came into focus.\textsuperscript{43} Member states such as France, which had formerly influenced the development approach of the EC, lost clout and other interests took over. The Soviet Union had fallen, allowing for many Central and Eastern European countries to apply for membership of the EU. Especially Germany but also other member states were now interested to help these countries in their development to guarantee a smooth transition into the Western economic system. The focus of EU development aid therefore moved from the South to the East, establishing policies such as the European Neighbourhood Policy (ENP) which supports countries closer to home.\textsuperscript{44}

Moreover, due to an increasing number of violent conflicts worldwide, the EC became aware that development could not be achieved without conditions such as democracy, good governance, the adherence to human rights, the rule of law, and gender equality. Focus was turned away from the importance of the development of markets to the political dynamics of the development process. The institutional framework in the countries had to be changed in order for them to develop.\textsuperscript{45} Development assistance was made conditional on this change and non-compliance with above mentioned principles by the ACP countries could mean sanctions concerning aid or preferences.\textsuperscript{46}

The development of most ACP countries was not as significant as expected. Despite promising innovations to the Lomé Conventions, the development projects and programmes were failing and economic and social progress was very slow or even in reversing.\textsuperscript{47} There was a general resignation among donor countries concerning the concept of development and economic difficulties for the member states of the EU meant that financial assistance to third

\textsuperscript{41} C. Stevens, “The European Development Policy” (speech given at the conference The European Union: Consequences for the South, Nijmegen, the Netherlands, 12-15 May 1994).
\textsuperscript{44} Carbone, \textit{The EU and International Development}, 37.
\textsuperscript{45} Hout, “Development Cooperation”, 2.
countries was declining. A new approach to promoting the development of the ACP countries was needed.

However, it was not only the changing circumstances in Europe but also international developments and the increasing globalisation of trade relations that made a new agreement between the EU and the ACP group necessary. In 1995, the World Trade Organisation (WTO) was created, becoming the umbrella organisation for the General Agreement on Tariffs and Trade (GATT). Issues such as preferential trading agreements and the liberalisation of trade became more strictly regulated and pursued than under the old GATT. The Lomé Conventions provided access for ACP countries to the EU-market as a means to promote economic development, without doing so for other developing countries. This selected preference was an infringement of the WTO’s principle of multilateralism and other rules. In order for the EU to maintain its position as a strong global trade actor, it needed to achieve compatibility with these rules. This meant the abandonment and replacement of the Lomé Conventions.

The Cotonou Agreement – continuity or change?

The main objectives of the agreement, stated in Article 1, are:

to promote and expedite the economic, cultural and social development of the ACP States, with a view to contributing to peace and security and to promoting a stable and democratic political environment. The partnership shall be centred on the objective of reducing and eventually eradicating poverty consistent with the objectives of sustainable development and the gradual integration of the ACP countries into the world economy.

The eradication of poverty has now become the most important aim of the agreement between the EU and the ACP states, giving the agreement a very development aid-centred appearance. These objectives are also consistent with the development policy objectives stipulated in Article 177 of the Treaty establishing the European Community.

However, as can be seen from the text of the agreement, one of the most important changes in the new Cotonou Agreement is the turning away from financial assistance for development to the expansion and improvement of trade relations. The aid dimension of the

48 Carbine, The EU and International Development, 6.
53 In the version of the Treaty establishing the European Community amended by the Treaty of Lisbon in 2010, the Article number is 208.
Agreement becomes less important, as trade and development are linked and the principle of aid for trade is stressed. Trade is here seen as a “stimulus of economic growth and development [and] related to the notion that participation in international free trade will maximise the welfare of a country.”

54 Gerrit Faber, Associate professor for International Economy at the University of Utrecht and Jan Orbie, assistant professor in European Union Politics at the University of Ghent, further state that “[t]he objective of this aid is to increase the trade policy capacity of developing countries including policy making and negotiating, public-private networking etc.”

55 Had the EU previously granted non-reciprocal access for the ACP states to its common market to promote their development, this had to be changed according to WTO-rules. Provisions were made in the Agreement for the negotiations of so-called Economic Partnership Agreements (EPA) between the EU and individual or regional groupings of ACP states. These EPAs created free trade areas between the EU and the ACP states. The EPAs are supposed to “improve the business environment, build up regional markets [and] promote good economic governance through reinforced regional cooperation in trade related issues” and “foster development and economic growth through trade and facilitate economic reforms through regional integration.” The creation of EPAs means that trade between the EU and the ACP countries will have to be liberalised in order for the developing countries to be more integrated in the global market. The negotiations for these EPAs were to be finished at the beginning of 2008 at the latest. After the negotiations, the ACP countries would be granted a transition period of up to 12 years to be able to implement the agreements without economic consequences.

58 The Cotonou Agreement did not only pave way for the negotiations of EPAs. In addition, it is very important to note that with the Cotonou Agreement, differentiation between the different ACP countries was introduced. “Hence, the co-operation between the EU and the ACP regions, sub-regions or countries, will be differentiated by such criteria as location, level of economic development, unique needs, past performance etc.” This is essential in regard to Least-Developed Countries (LDCs) which are exempt from some WTO-rules based on

55 Ibid., 196.
59 Ibid., 35.
their low level of development, so that exceptions concerning reciprocity and preferential access to markets can be made. In the agreement, priority is given to the development of these LDCs, turning away attention from the more traditional partners in the ACP group and refocusing on the poorest of its members.\textsuperscript{60}

For the first time, development cooperation also involves participation of civil society and the private sector. Non-state actors will be integrated in the development projects and programmes, so that they have the chance to shape the outcome and direction of the development of their countries.\textsuperscript{61}

The establishment of the Cotonou Agreement and its first revision also brought about changes concerning the EU’s stance on development. In 2005, the European Commission, the Council and the European Parliament adopted the European Consensus on Development. It is of significance that this is the first time that the European Commission, the Council and the European Parliament agreed on a common vision on how to advance development. Member states seem to become more aware of the advantages of multilateral development cooperation.

In the Consensus, development is seen as the eradication of poverty in the context of sustainable development. Development for the EU “is a central goal in itself” and does not only include economic objectives but also political, social and environmental aspects.\textsuperscript{62} The EU and its member states also committed themselves fully to the achievement of the Millennium Development Goals (MDGs) in 2015.\textsuperscript{63} In the Consensus, the EU and the member states also committed themselves to the delivery of more and better financial assistance, increasing the amount of aid spent to 0,7% of their Gross National Income (GNI).\textsuperscript{64} Following this logic, the 10\textsuperscript{th} EDF (2007-2013) was increased to EUR 25 billion, while other financial assistance instruments such as STABEX and SYSMIN were abolished. The Cotonou agreement and the European Consensus on Development also underline the importance for development of the rule of law, democracy, good governance, gender equality,

\textsuperscript{60} Dearden, “Future Role”, 107.
\textsuperscript{63} The Millennium Development Goals are goals such as reducing extreme poverty by half, providing universal primary education and 6 more by 2015. They were decided upon at the 2000 Summit of world leaders at the United Nations. http://www.un.org/millenniumgoals/bkgd.shtml
\textsuperscript{64} European Commission, “The European Consensus on Development,” (2006).
political dialogue and many more principles. Policy coherence with other EU policies is stressed and an equal partnership between developing countries and the EU is stipulated.\textsuperscript{65}

The Cotonou agreement shows that the EU and its member states intend to leave their resignation concerning development cooperation behind and have found an old way to give new impetus to development cooperation: trade. Even though through this way the aid dimension looses importance, there is a shift in focusing on aid to eradicating poverty with special reference to the MDGs. The commitments and new provisions of the Cotonou agreement, the EPAs and the new Consensus on Development give the impression that nothing can impede the development of the ACP countries. One needs to investigate what the possible ramifications are for the developing countries involved in the ACP when the EPA and other factors of the Cotonou agreement come into action.

**Possible consequences of the new EU development policy towards ACP countries**

In January 2008, the deadline for the negotiations of the EPAs, 13 non-LDC states of the ACP group had concluded EPAs with the EU. Some interim agreements were concluded very quickly in the last months of 2007. This rushed conclusion of interim agreements shows us that most of the ACP countries did not feel ready to enter into EPAs lightly. There are several possible reasons for this.

One of the first things that come to one’s attention when thinking about consequences of the Cotonou Agreement for the ACP group is the fact that their existence as a group is called into question. Before, they received more assistance and higher privileges concerning trade thanks to their ex-colonial ties with some of the member states of the EU. With the Cotonou Agreement, this preferential treatment stops. Not only according to WTO rules is the discrimination forbidden but many ACP countries are also relatively developed and need less assistance than other countries which were not especially favoured by the EU.\textsuperscript{66}

In addition, the EU wants to promote regional integration among ACP states and wants to negotiate EPAs with regional groupings within the group. The trial of the EU to mould the ACP countries into free trade structures similar to the ones of the EU shows a very Eurocentric vision of how development can be promoted and does not fit the needs of the developing countries.\textsuperscript{67} The EU is trying to negotiate all of the EPAs with regional groupings

\textsuperscript{65} Ibid.
\textsuperscript{66} Babarinde and Faber, “From Lomé to Cotonou”, 8.
\textsuperscript{67} Meyn, “Economic Partnership Agreements”, 520.
within the ACP group. The way these groupings were chosen had nothing to do with reality as it did not take into consideration already existing regional groupings such as Common Market of Eastern and Southern Africa (COMESA) or Southern African Development Community (SADC). Instead, these regions were split and LDCs and non-LDCs mixed together. This shows that the EU tries to impose its ideas of regional integration on states in Africa, although different compositions of trade cooperation among them already exist. The EU does not take the need of the ACP states into consideration.\textsuperscript{68}

This can also lead to serious consequences because of the differences between LDCs and non-LDCs. They are treated differently according to WTO rules because of their different levels of development.\textsuperscript{69} Following this principle of differentiation, the EU will now treat each ACP country depending on their individual needs. If the EU mixes LDCs and non-LDCs in the EPA free trade areas, this might distort the beneficial aspects of free trade within those groupings because the LCD states maintain their preferential treatment while the others do not. On the one hand, this seems a fairer approach to the LDC as it will turn the attention towards them and hopefully help them in their development. However, as many non-LDC ACP countries are dependent on the EU’s assistance and trade privileges, losing privileges and preferential treatment may have negative consequences for their economies. The relationship of the EU with the ACP group has diminished to being just one relationship among many others.

For many countries, government revenues depend on tariffs collected from EU imports. With gradual reciprocal liberalisation of trade, many governments will lose millions of dollars in revenue. This might prove to be an obstacle, dangerous not only to the development of democracy and stable states but also to the economy.\textsuperscript{70} The fact that in many ACP countries, governments and other institutions are weak and unstable means that these countries might not be able to deal with the liberalisation of trade prescribed in the EPAs. They lack the capacity and structures to effectively implement what they negotiated with the EU\textsuperscript{71} and the transition period of 10 to 12 years is not long enough to allow all countries to adapt to the new rules.

The weakness of the institutions is not only an economic problem. The adherence to such issues as human rights, democracy and the rule of law also depends on the proper functioning

\textsuperscript{68} Farrell, “Internationalising”, 236f.
\textsuperscript{69} Meyn, “Economic Partnership Agreements”, 520.
\textsuperscript{70} Gorm R. Olsen, “Coherence, Consistency and Political Will”, 167.
\textsuperscript{71} Farrell, “Triumph”, 270.
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of institutions to implement these requirements. It is doubtful if the existing institutions in the developing ACP countries can already cope effectively with the demands that the EU places on them in the Cotonou and previous agreements. However, if they do not, sanctions such as a suspension of aid or trade privileges will be imposed on them.\textsuperscript{72} This is another example of the fact that the EU does not take into consideration the needs of the ACP countries.

Furthermore, financial assistance to the ACP group has only been promised definitely until 2013 through the 10\textsuperscript{th} EDF. However, due to their underdeveloped markets, the ACP states need help adjusting to the liberalised economic global system. Ignoring concerns about these adjustment costs, the EU refused to create a financial adjustment instrument and relies entirely on the EDF.\textsuperscript{73} What is more, the 10\textsuperscript{th} EDF could only be raised to EUR 25 billion due to many unspent leftovers from previous EDFs. ACP countries are worried that this EDF might not be enough to cover for adjustment costs, especially as the period after 2013 is unsure and other financial instruments have been abolished.\textsuperscript{74} The transition to integrate their markets fully into the global economy might therefore prove to be disastrous without the proper help.

Additionally, the Cotonou Agreement and the EPAs do not practice what they preach. Export to the EU of certain “sensitive” products such as sugar or rice, are restricted for a period of 7 years, even though these constitute very important export products for some ACP countries.\textsuperscript{75} It means that the access to EU markets is not entirely free for developing countries, which can have serious consequences for those countries that export these products. In addition, the EU faces great challenges in reforming its Common Agricultural Policy (CAP) which protects European farmers from foreign competition. The CAP is disastrous for ACP farmers and exporters as it gives European farmers an unfair advantage on the global market. By maintaining “sensitive” products, the EU only adheres to CAP principles and neglects the needs of the ACP countries once more.\textsuperscript{76}

Conclusion

The Cotonou Agreement and the connected EPAs show a radical change in the development policy of the EU towards the ACP countries. Not only have the ACP states lost importance for the EU but the EU’s stance on how to promote development has also changed. The main

\textsuperscript{72} Ibid., 271.
\textsuperscript{73} Faber and Orbie, “The New Trade and Development Agenda”, 197.
\textsuperscript{74} Hoebink, “European Development Aid in Transition”, 148.
\textsuperscript{75} Meyn, “Economic Partnership Agreements”, 519.
\textsuperscript{76} Dearden, “Future Role”, 113.
objective of the EU’s development policy is to eradicate poverty worldwide and “aid for trade” has become the dominant principle to achieve this goal. Development has to be accomplished by integrating developing countries into the world market and there is no longer room for preferential treatment of certain countries because of their historical ties with some member states. Development assistance through the EU is more and more Europeanized and bilateral aid between member states and individual countries lose importance. However, although the EU might have comparative advantages in certain areas to promote development, its geographical reorientation concerning its development aid might prove dangerous for the ACP group.

The ACP countries have come a long way from being colonial overseas territories to being independent countries. However, their development has only declined over the years despite several agreements with first the EC and then the EU. From having a special relationship with the EC, the ACP group is now only one of a group of countries the EU has foreign relations with among many others and it is definitely not the most important one. This is reflected in the Cotonou Agreement’s liberalisation principles, adherence to WTO rules and reducing the relationship to mere trade relations. The era of preferential treatment for the ACP group has ended and this might have serious economic, political and social consequences if the EU insists on its own interests and does not take into consideration the real development needs of each ACP country. However, as some EPAs were only just signed and many are still under negotiation, only time will tell where the ACP-EU relationship will go and who it will benefit most.
Bibliography


